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Report Highlights:

Overall, Japanese imports of U.S. oranges declined approximately 25% and the nation's inventory stayed relatively low. However, Japan increased its imports of U.S. Minneola oranges by 20%, and U.S. Moro oranges and Cara Cara oranges also enjoyed a high level of demand from Japanese traders. Imports of U.S. lemons were up approximately 5%, and were trading at slightly higher prices. For two years in a row, Japanese imports of Florida grapefruit were down (78,824 metric tons) due to the crop losses caused by hurricane Wilma and the spread of citrus canker. Japanese traders anticipate significant reductions in imports of South African grapefruit in the summer 2006, down to approximately 78,200 metric tons. California products played a major role in filling in for the shortage of Florida products.

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Two Years in a Row Japanese Imports of Florida Grapefruit Were at Low Levels

The 2005 Florida grapefruit shipments were significantly reduced due largely to the damage caused by hurricane Wilma and the spreading of citrus canker. Early in the season, Japanese traders anticipated a recovery from the devastating hurricanes of 2004; however, another large-scale hurricane (Wilma) hit Florida's grapefruit region in the fall of 2005 and again reduced Florida grapefruit supplies. The 2005 season's shipments of Florida grapefruits to Japan ended in early May 2006 with a total volume of 4,636,752 cartons (78,824 metric tons), which was 119,220 cartons (2,026 metric tons) lower than the record low level of 2004, according to industry sources.

The first shipments of the 2005 new crop arrived in Japan in early November 2005 and, in some cases, sold at a premium price of \$2.29 (258 yen) per fruit at Tokyo's high-end supermarket. Traditionally, Japanese traders expect good sales of Florida grapefruit during Japan's year-end gift giving season, but the sales were reportedly slow due to the relatively higher market prices, according to industry sources. However the demand for smaller sized grapefruit was high at Japan's restaurants and pubs, particularly during the year-end party season for making grapefruit cocktails called "Chuhai," grapefruit juice mixed with Japanese vodka, but Japanese restaurant operators did not make good profits from the popularity of "Chuhai" this season since the price of grapefruit was high.

Florida grapefruits were not widely available at supermarkets until supplies became more sufficient in mid March. Customarily, Japanese consumer demand for fresh grapefruit rises as Japanese temperatures rise in March and April. In mid March 2006, Japanese sales of Florida grapefruit were approximately 200,000 cartons (3,400 metric tons) per week, with peak sales of approximately 300,000 cartons (5,100 metric tons) per week during Japan's Golden Week in early May. Currently, there are approximately 800,000 cartons (13,600 metric tons) of Florida grapefruit in the nation's warehouses and these are expected to be depleted by mid June, according to Tokyo traders.

The short crop of Florida grapefruit in 2005 created higher FOB prices in the United States as well as higher market prices in Japan. Tokyo trader commented that the price that Japanese consumers expect to pay for grapefruit has already been set and it is very difficult to raise retail prices in response to the higher purchasing prices. Tokyo wholesale market traders also commented that if FOB prices in Florida were at a reasonable level it would be highly likely that annual sales would reach 8 to 10 million cartons.

In November 2005, the new crop was trading at Tokyo Ohta Wholesale Market for \$41.77 (4,700 yen) per 17-kilogram carton for sizes 32 and 36 (the size 32 has 32 grapefruits in a 17-kilogram carton,) \$40.00 (4,500 yen) for size 40 and \$36.44 (4,100 yen) for size 48. These are the prices that wholesale market jobbers sell to retailers.

In April 2006, the wholesale price of Florida grapefruit was slightly lower, reflecting the peak supply season. They were trading at Tokyo Ohta Wholesale Market for \$35.55 (4,000 yen) per 17-kilogram carton for sizes 27,32 and 36, \$33.77 (3,800 yen) for size 40 and \$29.33 (3,300 yen) for size 48. A large- to medium- sized piece of fruit (sizes 36 and 40) sells for \$1.13 to \$1.31 (128 yen to 148 yen) each at Tokyo supermarkets or \$4.26 to \$5.15 (480 yen to 580 yen) for a bag of 4.

* The exchange rate of 112.51 yen per dollar is based on the Nikkei News quote on June 2, 2006.

Japanese Traders Estimate 4.6 Million Cartons of South African Grapefruit in 2005

In the previous season, the short crop in Florida created short supplies of grapefruit in the Japanese market and in response, South African suppliers increased their shipments to Japan significantly in order to fill the shortage. Grapefruit shipments from South Africa reached a record high of 6.3 metric cartons (107,100 metric tons). However, Japanese traders could not sell South African products as well as they anticipated and it resulted in significantly high-levels of inventory in the nation's warehouses.

The 2005 new crop is expected to arrive Japan in early June 2006 and continue until August. Japanese traders are expecting approximately 4.6 million cartons (78,200 metric tons) of grapefruit from South Africa in this season, which is significantly less than the previous season.

a Moderate Volume of Israel Sweeties Sold in 2005

The 2005 new crop arrived in Japan in two shipments, one in November and the other in December, with a total volume of approximately 400,000 cartons (5,600 metric tons). The quality of the new crop was reportedly excellent. However, sales were relatively slow in November due to the amount of South African grapefruit still in distribution. Sweetie sales continued until February 2006. Israel Sweeties were trading at around the same prices as the previous season at Tokyo's Ohta Wholesale Market. Sweeties of sizes 27,32 and 36 were trading at \$22.22 (2,500 yen) per 14-kilogram carton in December 2005 and at \$20.44 (2,300 yen) for size 41. Tokyo supermarkets sold them for \$1.13 (128 yen) per fruit.

Israel sent regular grapefruit to Japan from January through April 2006, with total shipments of approximately 240,000 cartons (3,360 metric tons), according to Tokyo traders. There were many small-sized fruit shipped to Japan, destined for the food service sector. Israel regular grapefruit was trading at around the same price as Israel Sweeties, which was \$22.22 (2,500 yen) per 14-kilogram carton for sizes 27, 32 and 36 at Tokyo Ohta Wholesale Market in mid March 2006 and at \$20.44 (2,300 yen) for size 41.

California Grapefruit Became Available in Japan's Retail Stores in May and June 2006

California grapefruit sales in Japan were up significantly when the supplies of Florida products were down in May and June 2006. California products played a major role in filling the gap between the Florida and South African shipping seasons.

Texas ruby grapefruit also played a major role in filling in for Florida's short supplies. Japanese retailers sold approximately 150,000 cartons (2,700 metric tons) of Texas Rubies in the 2005 Season, according to industry sources. Texas Rubies were sold from December through March at similar prices as Florida grapefruits.

Japan's Modest Imports of U.S. Oranges Kept the Market Stable

Japanese imports of U.S. oranges declined approximately 25% for the first seven months of the 2005 Season, and the nation's inventory stayed at lower levels in 2005. Japan imported 41,620 metric tons of U.S. oranges from October 2005 through April 2006. Rain damage in California groves in March 2006 also affected the Japanese sales of U.S. oranges.

Japanese producers experienced fairly good Mikan tangerines and other citrus crops, so there was a great deal of domestic produce in the market until March 2006. Therefore Japanese importers were extremely cautious when placing orders with U.S. suppliers. Japanese traders are expecting good U.S. orange sales May and June with sufficient supplies available from California. This season's quality of U.S. oranges is reportedly excellent.

Japanese sales of the 2005 new crop of U.S. Navels started in early December 2005, a little late compared to the previous season, and they were primarily marketed in Japan's year-end gift-giving season, according to Tokyo traders. California Navels were sold until the new crop of Valencia oranges became available in the market in mid-March. U.S. Valencia oranges will continue to sell in Japan until new crop Navels arrive in November. Japan's peak sales of U.S. Valencia oranges start with the new crop in mid-March and continue until July.

In February 2006, U.S. Navel oranges were trading at the Tokyo Ohta Wholesale Market for \$33.77 - \$35.55 (3,800 yen – 4,000 yen) per 17-kilogram carton for sizes 56 and 72, \$28.44 - \$31.10 (3,200 yen- 3,500 yen) for size 88 and \$22.22 - \$24.88 (2,500 yen – 2,800 yen) for size 113. These are the prices that wholesalers (jobbers) sell to retailers. U.S. Valencia oranges were also trading at similar prices to Navels. They were trading at \$31.10 - \$33.77 (3,500 yen – 3,800 yen) per carton for sizes 56, 72 and 88, and \$23.99 - \$24.88 (2,700 yen – 2,800 yen) for size 113 in mid May 2006. In early June U.S. oranges sold for approximately \$1.24 (140 yen) for a medium sized piece of fruit at Tokyo supermarkets or \$4.44 (500 yen) for a bag of 4.

Japanese Imports of U.S. Minneola Oranges Up 20 Percent in 2005

Japan increased its imports of U.S. Minneola oranges to approximately 650,000 cartons (11,050 metric tons) this season, up approximately 20% from the previous season, according to Tokyo traders. Minneola oranges were sold from February through May with peak sales in March and April. In March 2006, U.S. Minneola oranges were trading at the Tokyo Ohta Wholesale Market for \$24.88 (2,800 yen) per 17-kilogram carton for sizes 54, 66, 90 and 120.

U.S. Moro oranges and Cara Cara oranges were also sold at about the same level as the previous season (4,400 cartons and 3,300 cartons, respectively). Moro oranges (known as Blood oranges in Japan since its flesh is dark red) and Cara Cara oranges received steady support from Japanese traders. Moro oranges have gained many fans in the food service sector because of its usefulness for making cocktails, while Cara Cara oranges were commonly sold in Japan's high-end fruit stores. U.S. Moro and Cara Cara oranges were packed in half-size (9-kilogram) cartons.

Japanese Fresh Lemon Market is Fairly Stable

By keeping the nation's stock levels low, the market movements of fresh lemons were very smooth this season, according to Tokyo traders. In the first seven months of this season (from October 2005 to April 2006) Japan imported 37,917 metric tons of U.S. lemons, up approximately 5% from the same period of the previous season. U.S. lemons were trading at relatively higher prices this season, due largely to the strong demand for U.S. lemons in the Asian and U.S. market. The average import price (CIF) of U.S. lemons was \$1.21 per kilogram, relatively higher than the previous season's price of \$1.12. In early June 2006, Japan's fresh lemon supply was fairly tight, with approximately 127,000 cartons (2,159 metric tons) of lemons kept in the nation's warehouses, or approximately 10 days worth of nationwide sales. This tight market situation will likely be eased by the new crop arrivals

from Southern Hemisphere suppliers such as Chile and South Africa in June. The U.S. kept its very strong position in Japan's lemon market, with over 98% of the market share from October through June, while Southern Hemisphere suppliers take the lead in Japan with their new crops during the summer season.

In early June 2006, California lemons were trading at Tokyo Ohta Wholesale Market for \$38.21 (4,300 yen) per 17-kilogram carton for sizes 95, 115, 140 and 165. These prices are the prices at which wholesalers (jobbers) sell to retailers. The new crops arrived from South Africa in early June and were sold at approximately \$8.88 (1,000 yen) per carton cheaper than California lemons for all sizes. In June, Tokyo supermarkets sold medium sized California lemons for \$0.88 (100 yen) each.

The Positive List System Became Effective on May 29, 2006

On May 29, 2006 Japan implemented new regulations on maximum residue limits (MRLs) for agricultural chemicals. The MRLs of agricultural chemicals applied for citrus products may be found in the following web site:

<http://www.m5.ws001.squarestart.ne.jp/foundation/search.html> (English)

Related information on the positive list system may be found in JA6011, JA6025 and JA6027.

PS&D Tables and Trade Matrices

Fresh Orange PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Oranges, Fresh				(HECTARES)(1000 TREES)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	1210	1210	1130	1130	1060	1060
Area Harvested	1210	1210	1110	1110	1040	1040
Bearing Trees	726	726	666	666	624	624
Non-Bearing Trees	0	0	36	36	36	36
TOTAL No. Of Trees	726	726	702	702	660	660
Production	16	16	14	14	13	13
Imports	109	109	119	119	120	100
TOTAL SUPPLY	125	125	133	133	133	113
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	125	125	133	133	133	113
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	125	125	133	133	133	113

Orange Juice PS&D Table

PSD TABLE						
Country	Japan		65 Degrees Brix			
Commodity	Orange Juice		(MT)			
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	15000	15000	8000	8000	22000	22000
Production	0	0	0	0	0	0
Imports	83989	83989	101320	101320	90000	90000
TOTAL SUPPLY	98989	98989	109320	109320	112000	112000
Exports	0	0	0	0	0	0
Domestic Consumption	90989	90989	87320	87320	90000	90000
Ending Stocks	8000	8000	22000	22000	22000	22000
TOTAL DISTRIBUTION	98989	98989	109320	109320	112000	112000

Fresh Orange Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Oranges, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	81946	U.S.	88555
Others		Others	
South Africa	10472	Chile	11600
Chile	9075	South Africa	10750
Australia	7399	Australia	8493
Mexico	277	New Zealand	21
New Zealand	4		
Total for Others	27227		30864
Others not Listed	2		2
Grand Total	109175		119421

Orange Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Orange Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	6760		5476
Others		Others	
Brazil	71819	Brazil	88063
Mexico	1318	Mexico	2031
Australia	990	Netherlands	1009
Italy	778	Australia	998
Belize	509	Belize	925
Spain	509	South Korea	817
Greece	457	Israel	552
Israel	280	Italy	434
South Korea	168	Spain	319
Canada	139	Greece	197
Total for Others	76967		95345
Others not Listed	262		499
Grand Total	83989		101320

Fresh Orange Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Oranges, Fresh		
Prices in	Yen	per uom	KG
Year	2005	2006	% Change
Jan	189	190	1%
Feb	184	184	0%
Mar	184	178	-3%
Apr	195	194	-1%
May	190		-100%
Jun	172		-100%
Jul	158		-100%
Aug	161		-100%
Sep	151		-100%
Oct	138		-100%
Nov	135		-100%
Dec	168		-100%
Exchange Rate	115.63	Local Currency/US \$	
Date of Quote	#####	MM/DD/YYYY	

Fresh Grapefruit PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Grapefruit, Fresh				(HECTARES) (1000 TREES)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	304	304	219	219	229	195
TOTAL SUPPLY	304	304	219	219	229	195
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	304	304	219	219	229	195
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	304	304	219	219	229	195

Grapefruit Juice PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Grapefruit Juice (MT)					
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	1000	1000	1000	1000	1000	1000
Production	0	0	0	0	0	0
Imports	32128	32128	37879	37879	38000	38000
TOTAL SUPPLY	33128	33128	38879	38879	39000	39000
Exports	0	0	0	0	0	0
Domestic Consumption	32128	32128	37879	37879	38000	38000
Ending Stocks	1000	1000	1000	1000	1000	1000
TOTAL DISTRIBUTION	33128	33128	38879	38879	39000	39000

Fresh Grapefruit Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Grapefruit, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	220305	U.S.	102160
Others		Others	
South Africa	69477	South Africa	96721
Israel	8353	Israel	12504
Swaziland	5442	Swaziland	4572
Cuba	608	Chile	1787
Chile	168	Cuba	1531
Argentina	89	Argentina	21
Total for Others	84137		117136
Others not Listed	3		2
Grand Total	304445		219298

Grapefruit Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Grapefruit Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	21571	U.S.	14699
Others		Others	
Israel	8169	Israel	15947
Italy	661	South Africa	2171
Belize	584	Belize	1223
Australia	440	Mexico	1164
Cuba	214	Cuba	910
South Africa	175	Italy	861
Canada	82	Australia	319
Netherlands	68	Spain	183
South Korea	57	Argentina	113
Spain	42	South Korea	109
Total for Others	10492		23000
Others not Listed	65		180
Grand Total	32128		37879

Fresh Grapefruit Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Grapefruit, Fresh		
Prices in	Yen	per uom	KG
Year	2005	2006	% Change
Jan	185	179	-3%
Feb	180	184	2%
Mar	181	189	4%
Apr	196	194	-1%
May	201		-100%
Jun	165		-100%
Jul	142		-100%
Aug	115		-100%
Sep	80		-100%
Oct	59		-100%
Nov	66		-100%
Dec	145		-100%
Exchange Rate	115.63	Local Currency/US\$	
Date of Quote	#####	MM/DD/YYYY	Y

Fresh Lemon PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Lemons, Fresh				(HECTARES)(1000 TREES)(1000 MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Area Planted	0	0	0	0	0	0
Area Harvested	280	280	280	280	280	280
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	4	4	4	4	4	4
Imports	85	85	74	74	80	80
TOTAL SUPPLY	89	89	78	78	84	84
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	89	89	78	78	84	84
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	89	89	78	78	84	84

Lemon Juice PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Lemon Juice					
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		10/2003		10/2004		10/2005
Deliv. To Processors	0	0	0	0	0	0
Beginning Stocks	500	500	500	500	1000	1000
Production	0	0	0	0	0	0
Imports	10200	10200	11851	11851	11000	11000
TOTAL SUPPLY	10700	10700	12351	12351	12000	12000
Exports	0	0	0	0	0	0
Domestic Consumption	10200	10200	11351	11351	11000	11000
Ending Stocks	500	500	1000	1000	1000	1000
TOTAL DISTRIBUTION	10700	10700	12351	12351	12000	12000

Fresh Lemon Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Lemons, Fresh		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	59590	U.S.	51911
Others		Others	
Chile	14369	Chile	13561
South Africa	7733	South Africa	6858
Argentina	2286	New Zealand	876
New Zealand	837	Argentina	839
Australia	210	Mexico	45
Mexico	74	Swaziland	32
		Australia	23
Total for Others	25509		22234
Others not Listed	2		3
Grand Total	85101		74148

Lemon Juice Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Lemon Juice		
Time Period	Oct.-Sept.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	637	U.S.	574
Others		Others	
Israel	3857	Israel	4317
Italy	2504	Italy	3001
Argentina	2414	Argentina	2694
Brazil	595	Brazil	950
Spain	141	Spain	192
Chile	49	Chile	91
France	1	India	28
Total for Others	9561		11273
Others not Listed	2		4
Grand Total	10200		11851

Fresh Lemon Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Lemons, Fresh		
Prices in	Yen	per uom	KG
Year	2005	2006	% Change
Jan	171	194	13%
Feb	173	186	8%
Mar	180	201	12%
Apr	204	260	27%
May	244		-100%
Jun	244		-100%
Jul	209		-100%
Aug	176		-100%
Sep	165		-100%
Oct	177		-100%
Nov	197		-100%
Dec	198		-100%
Exchange Rate	115.63	Local Currency/US \$	
Date of Quote	#####	MM/DD/YYYY	